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Recorded NOV 10 1956 at 9:07A m/
Request of Utah Water & Power Board
Fee Paid. Hazel Taggart Chase,
Recorder, Salt Lake County, Utah
\$ 70.71 By W.M. [unclear] Deputy
Ref. 425 State Capital

A G R E E M E N T

This Agreement entered into this 20th day of July 1956, in original and four copies, by and between the State of Utah, acting through the Utah Water and Power Board, First Party, sometimes referred to herein as the State, and Provo Reservoir Water Users Company of Utah County, a corporation organized under the laws of the State of Utah, Second Party, sometimes referred to herein as the Water Users Company.

W I T N E S S E T H

THAT WHEREAS, the First Party desires to promote a water conservation project consisting of the drilling, casing and equipping with electric driven pumps, and testing two 16" irrigation wells and one 20" irrigation well, varying from 500 to 550 feet in depth, said wells to be located along the Water Users Canal approximately two miles west of Riverton in Salt Lake County, Utah, on the well sites now deeded to the State by the Water Users Company, with right of ingress and egress in order to accomplish the wells and operate them in perpetuity, and to construct a concrete lining of 1,260 feet of the Provo Reservoir Water Users Canal, situated just north of Camp Williams in Salt Lake County, in order to make a saving of considerable water now lost through seepage, and,

WHEREAS, it is the desire of the Second Party to enter into a contract with the First Party, whereby the Second Party undertakes to construct the aforesaid project, and as the Second Party has the available manpower and facilities necessary to construct the aforesaid project, and is ready, willing and able to enter into a contract for such purpose.

NOW THEREFORE, the Parties hereto enter into the following Agreement and make the following assignments:

1. The Second Party hereby agrees to convey, grant and warrant to the First Party, title, in fee simple, to the real estate upon which the structures are to be constructed; and further agree to convey, grant and warrant to the First Party, title to such easements and rights of way as shall be necessary to enable the First Party to construct, maintain and operate said project, the location of the wells being described as follows:

Track No. 1:

Beginning at a point which is in the center of a canal and on the South line of an East and West road, which point is North 5255.66 feet and West 1959.52 feet from the Southeast corner of Sec. 31, and is South 33 feet and West 1959.52 feet from the Northeast corner of said Sec. 31, Township 3 South, Range 1 West, Salt Lake Base & Meridian, thence South 6° 14' West 50.8 feet, thence South 18° 38' East 50 feet, thence East 34.8 feet, thence North 18° 38' West 50 feet, thence North 6° 14' East 50.8 feet, thence West 33.2 feet to the point of beginning; reserving to grantor a right of way over said parcel of land.

Said parcel of land is part of the East bank of the Provo Reservoir Water Users Company canal, upon which will be drilled Well No. 1 of Application to Appropriate No. 26726 filed in the office of the State Engineer.

Track No. 2:

Beginning at a point in the center of a canal and on a quarter-section line, which point is South 2637 feet and West 1918.8 feet from the Northeast corner of Sec. 30, said point also being located North 2664.3 feet and West 1918.8 feet from the Southeast corner of said Section 30, Township 3 South, Range 1 West, Salt Lake Base & Meridian, thence East 33 feet, thence North 0° 15' West 100 feet, thence West 33 feet to the center of said canal, thence South 0° 15' East 100 feet to point of beginning; reserving to grantor a right of way over said parcel of land.

Said parcel of land is part of the east bank of the Provo Reservoir Water Users Company canal, upon which will be drilled Well No. 2 of Application to Appropriate No. 26726 filed in the State Engineer's Office.

Track No. 3:

Beginning at a point which is in the center of a canal on the South line of an East and West road, which point is South 33 feet and West 1784.5 feet from the Northeast corner of Sec. 30, said point also being located North 5268.3 feet and West 1784.5 feet from the Southeast corner of said Sec. 30, Township 3 South, Range 1 West, Salt Lake Base & Meridian, thence South 100 feet, thence East 33 feet, thence North 100 feet, thence West 33 feet to the point of beginning; reserving to grantor a right of way over said parcel of land.

Said parcel of land is part of the East bank of the Provo Reservoir Water Users Company canal, upon which will be drilled Well No. 3 of Application to Appropriate No. 26726 filed in the office of the State Engineer.

2. The Second Party hereby agrees to convey, assign and quit-claim to the First Party all right, title and interest which it has or may have, to the right to use of water which shall be saved or conveyed through the use of the aforesaid project, and particularly water covered by Application No. 26726 on file in the Office of the State Engineer.

3. The Second Party hereby agrees to grant and convey to the First Party an easement to use any and all of the Second Party's distribution system known as the Provo Reservoir Water Users Company Canal located in Salt Lake County, and described as follows:

N 1780 feet and West 1210 feet from the SW corner of Sec. 26, T4S, RLW, Salt Lake Base & Meridian, and running thence Westerly into Section 27, thence Northwesterly through the NE $\frac{1}{4}$ SE $\frac{1}{4}$ and the NE $\frac{1}{4}$ Sec. 27, thence Northwesterly through the West $\frac{1}{2}$ Sec. 22, thence Northwesterly through the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Sec. 21, thence Northwesterly through Sec. 16, thence Northwesterly through the NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 17, thence Northwesterly through Sec. 8, thence Northwesterly through the E $\frac{1}{2}$ Sec. 6, all in T4S, RLW, Salt Lake Base & Meridian, thence Northerly through the W $\frac{1}{2}$ E $\frac{1}{2}$ Sec. 31, thence Northerly through the W $\frac{1}{2}$ E $\frac{1}{2}$ Sec. 30, thence Northeasterly through the SW $\frac{1}{4}$ Sec. 19, thence Northeasterly through the SW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 19, thence Northeasterly through the W $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 20, thence Northerly through the W $\frac{1}{2}$ Sec. 17, thence Northerly through the W $\frac{1}{2}$ W $\frac{1}{2}$ Sec. 8, thence Northwesterly through the SW $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 5, thence Northwesterly through the E $\frac{1}{2}$ Sec. 6, all of T3S, RLW, Salt Lake Base & Meridian, thence Northwesterly through the SW $\frac{1}{4}$ SE $\frac{1}{4}$ and the NE $\frac{1}{4}$ SW $\frac{1}{4}$ and the E $\frac{1}{2}$ NW $\frac{1}{4}$ Sec. 31, thence Northerly through the W $\frac{1}{2}$ Sec. 30, all of T2S, RLW, Salt Lake Base & Meridian.

4. The Second Party recognizes as valid the conveyance of easements and rights of way executed by various owners of the benefited land to the First Party, and agrees that all performance by the Second Party under this contract shall be subservient to, and in recognition of the aforesaid rights of the First Party in and to the aforesaid easements and rights of way.

5. The Second Party agrees to supply the necessary manpower and facilities, and agrees to complete the construction of the aforesaid project at a cost in accordance with plans, specifications and work items, a copy of which is attached to this contract and which is hereby incorporated by reference and made a part hereof.

6. The First Party agrees to pay to the Second Party Seventy-five (75%) percent of the total cost of constructing the project, but in no event shall the amount paid by the First Party exceed \$55,752.00, and the Second Party shall itself pay for all costs in excess of the amount paid by the First Party. Second Party agrees and undertakes to construct to completion as designed and specified, the aforesaid project in all events regardless of unforeseen contingencies, and agrees to pay all costs in excess of the aforesaid amount paid by the First Party.

7. It is further agreed that the First Party shall pay ninety (90%) percent of the amount payable by the First Party to the Second Party upon the presentation by the Second Party to the First Party of a certified statement of the payments requirement which shall be in the nature of a partial estimate of the work completed to date by the Second Party on each work item.

8. It is further agreed that the Second Party shall complete the construction of the project on or before December 1, 1957, and that title to the entire project, including all appurtenant facilities and water rights shall immediately vest in the First Party. It is also agreed that this contract shall not become binding upon the First Party until it has been signed by all persons and agencies required by law, and that the First Party shall not become liable to the Second Party for any commitments made by the Second Party until this contract has been completed.

9. The First Party agrees to sell, and the Second Party agrees to purchase the easements, rights of way, water rights, wells and all appurtenant facilities, acquired by the First Party in this Agreement and Assignments at a total purchase price defined to be the combined total of all funds paid by First Party to the Second Party for the construction of the project, but not to exceed \$55,752.00, plus all expense incurred by the First Party for the investigation, engineering and inspection of the project, and to be determined by the First Party upon the completion of the project, and payable over a period of time not to exceed twenty (20) years, in annual installments of one twentieth (1/20), or more per year, of the total purchase price as defined above, without interest.

10. The first annual installment of one twentieth (1/20), or more, of the total purchase price, as defined above, shall become due and payable on the First day of December 1958, and a like sum, or more, to be due and payable on the First day of December of each and every year thereafter until the full purchase price, as defined above, shall have been paid in full; said sums shall be payable at the office of the UTAH WATER AND POWER BOARD, and the first monies received by the First Party under the terms of this contract will be applied against the indebtedness incurred by the First Party for investigation, engineering and inspection, until fully paid, and any residue will be applied to funds paid by the First Party for the construction of the Project. Delinquent payments shall bear interest at a rate of six (6) percent per annum.

11. It is further agreed by the Second Party, that it will maintain a complete and separate accounting record of all expenditures made in connection with the cost of the Project. The records, as maintained, shall become the property of the First Party upon the completion of the project..

12. During the period of such purchase under this contract, provided the Second Party is not delinquent in any manner, the Second Party shall have, and is hereby given the right to use the First Party's water rights, canal system, wells and other facilities constructed thereunder. The Second Party does hereby assume during the life of this Agreement, the full obligation of maintaining the canal system, wells and other facilities, and of protecting all water rights from forfeiture.

13. In order to secure the payment of the aforesaid purchase price, it is hereby expressly agreed that the First Party may require the Second Party to assess all outstanding shares of their stock for the full amount of any delinquencies in the aforesaid purchase installments. It is further agreed by the Second Party that it will not incur any mortgage or encumbrances, other than those already acquired by it, on any of its property, real or personal, without first securing the written consent of the First Party. It is further agreed that the Second Party will not incur any indebtedness whatsoever for a

principal sum in excess of \$30,000.00, without first procuring the written consent of the First Party. The remedies herein provided shall be deemed cumulative, and not exclusive.

14. The Second Party, hereby warrants to the First Party, that the construction of the project will not interfere with existing water rights. If the project herein described shall give rise to a claim, or cause of action to any holder of any water rights because of the interference with such rights by the operation of the aforesaid project, then the Second Party hereby agrees to indemnify the First Party to the extent of such claim or cause of action.

After the Second Party shall have paid in full, the purchase price as defined above, the First Party shall, with the approval of Utah State Senate, execute such deeds and bills of sale as will be necessary to re-vest the same title to the aforesaid property and water rights in the Second Party, as are vested in the First Party.

15. If either Party to the contract violates any of the conditions or covenants made herein, the other may give written notice of such breach or failure, and if the same shall not be cured within ninety (90) days after such notice, the other may declare the contract forfeited and may proceed to its remedies at law for such breach.

16. The Second Party hereby agrees to assume the full obligation for any claim or liability for any injury or death of persons, or for any property loss or damage that may arise in accomplishing the construction of this project for the First Party, and further, the Second Party agrees to hold the First Party immune for all such claims for damages, injury, or death of persons during the life of this Agreement.

IN WITNESS WHEREOF, the State of Utah, acting through the UTAH WATER AND POWER BOARD, Party of the First Part, has caused these presents to be signed by the Chairman and Director of the said UTAH WATER AND POWER BOARD, by authority of a resolution of said Board at a meeting held July 20, 1956; and the PROVO RESERVOIR WATER USERS COMPANY, Party of the Second Part, has caused these presents to be signed and executed on its behalf by Elmer A. Seal, its President, and Phyllis Farley, its Secretary, by a resolution of its Stockholders, at a meeting held at Lehi, Utah on May 23, 1956.

APPROVED:

Board of Examiners - State of Utah

J. Andrew Lee
Governor

Lemont T. Jacobs
Secretary of State

E. R. Callister
Attorney General

Approved as to Availability of Funds:

STATE FINANCE COMMISSION

D. H. Pittsburg
Chairman

V. V. Coates
Commissioner

H. J. Smart
Commissioner

UTAH WATER AND POWER BOARD

David Lee
Chairman

Ray R. Bingham
ACTING Director

PROVO RESERVOIR WATER USERS COMPANY

Elmer A. Seal
President

Phyllis Farley
Secretary

Approved As To Form:

Vernon P. Romney
Assistant Attorney General

STATE OF UTAH |
 |
 | ss.
County of Salt Lake |

On the 20th day of July 1956, personally appeared before me Elmer A. Seal and Phyllis Farley, who being by me duly sworn, did say that they are the President and Secretary, respectively, of the Provo Reservoir Water Users Company, and that the said instrument was signed in behalf of said corporation by authority of a resolution of its Stockholders, and said Elmer A. Seal and Phyllis Farley acknowledged to me that said corporation executed the same.

Maryl Wentz
Notary Public, Residing at
Provo, Utah

My Commission Expires:
Apr. 26, 1958